

East Coast North America to West Coast South America and Caribbean Cooperative Working Agreement

FMC AGREEMENT NO. 203-011463-010 (6th Edition)

SECOND REVISED PAGE NO. 3

ARTICLE 1. NAME

This Agreement shall be known as the "East Coast North America to West Coast South America and Caribbean Cooperative Working Agreement" (the "Agreement").

ARTICLE 2. PURPOSE

The purpose of this Agreement is to enable the Parties to provide efficient competitive ocean common carrier services with greater cost effectiveness and operational efficiency in the trade covered herein.

ARTICLE 3. PARTIES

The Parties hereto are:

~~COMPANIA CHILENA DE NAVEGACION~~
~~INTEROCEANICA S.A. ("CCNI")~~

~~Plaza de la Justicia 59~~

~~CP 237003~~

~~Valparaíso, Chile~~

HAMBURG-SÜDAMERIKANISCHE

DAMPFSCHIFFFAHRTS-GESELLSCHAFT KG

d/b/a CCNI ("CCNI")

Willy-Brandt-Strasse 59-61

Hamburg, Germany

COMPANIA SUDAMERICANA
DE VAPORES S.A. ("CSAV")

P.O. Box 49-V

Valparaíso, Chile

NORASIA CONTAINER
LINES LIMITED

18/2, South Street

Valletta VLT 11, Malta

HAMBURG-SÜDAMERIKANISCHE
DAMPFSCHIFFFAHRTS-GESELLSCHAFT KG
("HSDG")

Willy-Brandt-Strasse 59-61

Hamburg, Germany

ARTICLE 4. GEOGRAPHIC SCOPE

This Agreement shall cover the carriage of cargoes between ports in the United States East Coast and inland and coastal points in the United States and Puerto Rico served via those ports, on the one hand, and ports in the Caribbean, Colombia, Panama, Ecuador, Peru and Chile and inland and coastal points served via those ports (including points in Bolivia and Argentina) on the other hand (hereinafter the "Trade").

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ARTICLE 5. AGREEMENT AUTHORITY

5.1 The parties may consult and agree upon the deployment and utilization of vessels operated in this Agreement in the Trade including, without limitation, sailing schedules, service frequency, ports to be served, port rotation, type and size of vessels to be utilized, the addition or withdrawal of capacity or vessels from the Trade and the terms and conditions of any such addition or withdrawal. The parties may consult and agree upon the number, type and capacity only of those vessels to be operated for the purpose of this Agreement by each of them. A vessel provided by a party under this Agreement may be chartered from another Agreement party on such terms and conditions as the involved parties may agree. Each party will bear all costs for the vessel(s) it provides, including but not limited to daily running costs, time charter hire, bunkers, port charges, canal dues, dry docking and insurance. This agreement is non-exclusive, and each party may operate or charter space on other vessels in the Trade outside of this Agreement. The maximum number of line-hull vessels to be operated hereunder is up to eight, each vessel having a nominal capacity between 2,500 TEU and 5,000 TEU. The Parties shall be entitled to supply vessels to the Agreement on the following percentages, or as the parties may from time to time otherwise agree: NORASIA 33.33%; CCNI 33.33%; and HSDG 33.33%. Each Party shall be entitled to utilize space on each vessel operated under the Agreement, northbound and southbound, in accordance with the percentage determined by dividing the number of TEU slots provided by each Party in its participating vessels by the total number of slots provided by all Parties, multiplied by each vessel's declared capacity.

5.2 The Parties may use space chartered under this Agreement regardless of the origin or destination of the cargo, including transshipment of cargo to or from an origin or destination which is within or outside the scope of this Agreement, whether under a through bill of lading or otherwise.

5.3 Payment and terms and conditions for usage of the vessels operated under this Agreement shall be as the Parties may from time to time agree. As used herein, the Parties who from time to time charter vessel capacity from another Party shall be referred to as "Charterer". The Party whose vessel capacity is chartered by another Party for transportation hereunder shall be referred to as "Owner." Except as the Parties may otherwise agree from time to time, no Party shall subcharter or assign space obtained from another Party hereunder without the prior written consent of such other Parties. Subcharters or slot charters to companies under common control of or with a Party shall not require consent of the Parties. In addition, each HSDG brand may provide space to the other as they may agree from time to time without the consent of the other Parties.

5.4 In connection with their service in the Trade, the Parties may consult and agree among or between themselves and with third parties for the use of terminal facilities, may jointly negotiate and enter into leases, subleases or assignments of such facilities and may contract for stevedoring services, terminal and other related ocean and shoreside services and supplies with each other or jointly with third parties in the United States or elsewhere. Nothing contained herein shall authorize the Parties jointly to operate a marine terminal in the United States unless expressly agreed.

opinion that such event or occurrence is or may be materially detrimental to this Agreement, or sums that may be owed other than those that would be disputed in good faith may not be paid in full or that their payment may be delayed, then such other Party may give notice in writing of its immediate withdrawal from this Agreement.

9.5 In the event of a termination pursuant to Article 9.3 or 9.4, the Parties shall give prompt written notice to the Federal Maritime Commission.

9.6 The termination of this Agreement pursuant to Article 9.3 or 9.4 shall not terminate or otherwise affect any accrued obligations of each Party to the other Parties under this Agreement which have arisen prior to such termination.

ARTICLE 10. APPLICABLE LAW

This Agreement, and any matter or dispute arising out of or relating to this Agreement, shall be governed by and construed in accordance with the laws of England; provided, however, that nothing herein shall relieve the Parties of obligations to comply with the Shipping Act of 1984.

ARTICLE 11. NOTICES

All notices and other communications pertaining to this Agreement shall be given in writing addressed to the respective Parties, as follows:

If to CCNI

~~Compañía Chilena de Navegación Interoceánica S.A.~~
Hamburg-Südamerikanische Dampfschiffahrts-Gesellschaft KG
Plaza de la Justicia 59 Willy-Brandt Strasse 59-61
Valparaíso, Chile Hamburg, Germany
Fax: ~~56-32-255949~~
Attention: ~~Vice President, Liner Services~~ Senior Vice President, General Manager

If to CSAV

Compañía Sud Americana de Vapores S.A.
Plaza Sotomayor 50
Valparaíso, Chile
Fax: 56-32-2203923
Attention: Senior Vice President, Liner Services

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